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Urban land, traffic and housing problems



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AN ATTEMPTED SOLUTION

True "Land Monopoly" and its Advantages

BY

A. W. ALDERSON

Price 6d. Net.

LONDON

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ORCHARD HOUSE

WESTMINSTER

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True "Land Monopoly" and its Advantages

By A. W. ALDERSON

THE growth of our large cities has given rise to many problems of which the Land, Traffic, and Housing questions are not the least acute. The Urban Land Question (ground values), as everyone knows, is a burning one. Also, in such towns as London the traffic problem has reached such dimensions that Commissions of Enquiry have been appointed to study the matter, but up to the present, so far as I am aware, their findings and recommendations have not been given effect to. And meanwhile the problem waxes.

The slum question is also ever with us and hourly demands a solution.

In the present pamphlet an attempt is made to solve these questions. It is not written to support any political party: it is intended to be impartial and unbiassed, fair to all: no injustice to anyone is intended or implied. It is not written to support

landlord or tenant, Conservatism or Liberalism, Socialism or Individualism, Collectivism or Henry Georgeism.

The present pamphlet deals largely with London, but what is said about London applies equally well, *mutatis mutandis*, to all other cities or towns, or even villages, either in England or anywhere else in the world.

As an indication of the feeling about land, I may mention that the Liberal candidate at the recent Hanley election (I write on August 13th, 1912) advocated, I understand, a tax of 2*d.* in the £ on the capital value of the land of the British Isles, which he valued at £6,000,000,000, estimating the annual income arising therefrom at £300,000,000. Such a tax would produce £50,000,000 per annum. But a tax of 2*d.* in the £ on the capital value is equivalent to 3*s.* 4*d.* in the £ on the annual value. Thus, land would pay a special extra income tax of 3*s.* 4*d.* in the £. Such a tax would probably be popular among the landless, who are the majority, because people are usually ready to consent to taxes which they themselves will not have to pay. There can be no doubt also that popular opinion is often hostile to landlords, on account of the huge sums which have to be paid to the latter for their land when it has to be acquired by a public body to carry out some public improvement. Some reformers contend that improvements are rendered virtually impossible by these prohibitive prices, which, they assert, are due to the "land monopoly."

The programme of the single-taxers is "the abolition of all taxation upon labour, and the products of labour, and the earnings of labour, and the imposition of a tax of 20s. in the £ on all land values." The Hanley election proves that that policy will secure much popularity.

Now I venture to suggest in this pamphlet that the prevailing ideas about "land monopoly" are erroneous. I admit that under the present system all public improvements necessitating the purchase of land in towns are very costly. Take the following as an instance: the London Traffic Commission, to relieve the congestion of the London streets, advised the construction of two new thoroughfares, each 140 feet wide, one from east to west $4\frac{3}{4}$ miles long, the other from north to south $4\frac{1}{4}$ miles long, total 9 miles. And the cost? £15,500,000 for the first (*i.e.*, £3,250,000 per mile) and £8,500,000 for the second (£2,000,000 per mile), making a total of £24,000,000. (Not all of this is cost of land, but much is.) Up to March, 1908, London had already spent £14,200,000 on street improvement, and it was felt that this £24,000,000 scheme could not be taken up on account of the cost.

It is a fact that the land alone (excluding buildings) in parts of London is worth quite £1,000,000 an acre.

I suggest that land for town improvements is so costly because it is *not* a monopoly; if it were, it could be obtained for nothing. Let me explain. When a municipality requires a strip of land for a

new street it finds that this strip is not all owned by the same man ; it has, therefore, to treat with each individual owner and buy from him his own particular plot of ground. Thus the strip required may be made up of the property of hundreds of different owners, each one of whom has to be bought out. Furthermore, all the rest of the town is owned on the same principle, *i.e.*, by a multitude of different owners. For instance, the land London is built on is owned by many thousands of people. If a London landlord possesses 100 acres of land he is accounted a large landowner.

If all the land in London was owned by one owner (either an individual or a Company) then there would be a real "land monopoly" in London (which there is not at present), and I contend that London would gain immensely thereby. How? In this way. If all the land within a radius of say 25 miles from the Bank of England were owned by a single Syndicate or Trust, that Syndicate would be able to give, for nothing, without loss to itself, all the land required for improvements. Under the existing system, suppose it were required to make a new street 210 feet wide and 1 mile long through the heart of the City (of London). That would require 25 acres of land. Land in the City is worth on an average say £500,000 an acre, so that the ground required would cost about £12,000,000. If all the land within 25 miles from the Bank were owned by one Trust (or person) it could give those 25 acres for nothing, without loss to itself as stated

above, thus saving London £12,000,000 on that one improvement.

Without loss to itself, you may ask, how can that be? The explanation is this: the people who previously lived on these 25 acres would simply move on to another section of the Syndicate's land, where they would pay the same rent as they did before, the only difference being that the Syndicate would get the rent from another section of its property and not from the 25 acres under discussion. The aggregate rent would not decline.

When all the land a town is built on (say London) is owned by one person or Syndicate there is a true "land monopoly." The Syndicate would not care which part of its estate its revenue was derived from. So long as people did not move off the estate the Syndicate would get the same rent. Even if half the Syndicate's estate were totally stripped of buildings and converted into parks, the Syndicate would not lose, because the remaining half of its property would double in value and produce as much rent as the whole used to produce previously. So long as the population of London (and, of course, the wealth *per capita*) did not decrease, the Syndicate's rents would also not decrease even if the population, instead of being spread over say 600 square miles were concentrated into say 100 square miles. The 100 square miles would be worth as much, and would produce as much rent, as the 600 square miles.

Under the present system this is what happens.

Suppose there are two landlords, whom we will call A. and B. A. owns an acre of ground at Croydon, B. an acre at Hampstead. If A.'s tenants vacate the acre at Croydon and go to live on B.'s acre at Hampstead, then A. loses and B. gains, because the rent that was formerly paid to A. now goes into B.'s pocket. But if both acres (the one at Croydon and the one at Hampstead) belonged to the same person (or Syndicate), the transfer of tenants from Croydon to Hampstead would make no difference, the owner would draw exactly the same revenue ; the only difference being that it would be derived from Hampstead instead of Croydon.

In the same way, under the present system, it would be highly unreasonable to expect individual landlords to give up their land for nothing to municipalities, because the latter needed it to make a new street. Suppose I own a plot of ground bringing in £1,000 a year. The London County Council needs that plot for a new street. I am perfectly justified in exacting for that plot the full market value (and something more as compensation for disturbance) because, unless I do, it means a dead loss to me of £1,000 a year. The tenants who are ejected from my plot to make room for the new street will settle on some other man's plot, and will pay *him* the £1,000 a year that used to come to *me* ; that won't do *me* any good, however. But if all the land round about belonged to me, I should be quite willing to make the London County Council a present of the land they required for their new

street, because (a) I should lose nothing by it, as the ejected tenants would still settle on my property (though, of course, on another portion of it), and I should still get my £1,000 a year; and (b) because the new street would actually improve my property, and eventually make it more valuable.

The advantages of a true "land monopoly" or singleness of ownership, as sketched in this pamphlet, are manifold. Take its effect on London (or any other town for that matter). The London of to-day (August, 1912) is a town of narrow, crooked streets, which get so choked with traffic that it is hard to make any progress at times. The narrowness of the streets has made us build tube railways which are costly and slow. (The speed from terminus to terminus on the Central London Railway is only about 17 miles an hour.) From the Bank to Piccadilly Circus in a straight line is about 2 miles, and it usually takes about 25 minutes and costs 3*d.* (tube to Oxford Circus, 'bus thence), when it should take only 4 minutes and cost 1*d.* Fleet Street is about 50 or 60 feet wide; the Strand 60; Oxford Street 65; Piccadilly 75 (it is narrower than that at Swan & Edgar's); Cheapside 60; Regent Street 85; Bond Street less than 50 in parts, I should think. None of our streets are straight for any distance either.

These narrow, crooked streets have a harmful effect on the health and wealth of our people: they prevent easy access to the country; they are not airy but stuffy, they hinder the free entrance of

sunlight, they waste time because they are winding, and also because they get congested, they are ugly and they are dangerous: 416 people were killed and 15,768 injured in the London streets in 1911 (*The Sphere*, July 27th, 1912).

Under the method herein suggested London could be endowed with a system of wide, straight streets. The main arteries, instead of being about 70 feet wide, could be 300 or even more. Light and air would be abundant. Distances could be covered in less than half the time and at less than half the expense. The housing problem would be largely solved. The knell of the slum with its squalor and disease would be tolled and the gain in the people's health would be enormous. Communication would be cheap, fast and easy. A wide street could take, just under the roadway on the cheap cut-and-cover system, four (or even six) railway tracks. This would admit of non-stop fast services from the rim of London to the centre. Speeds of 48 miles an hour (4 miles in 5 minutes) would be possible on such tracks.

Also, take the question of parks and open spaces. A glance at the map will show that East and North London (and other parts) are deficient in such. Under the present system the expense of providing them would be prohibitive on account of the cost of land. But under single ownership the land could be given free, only the houses, many of them cheap, old and jerry-built, requiring to be purchased and pulled down. We could thus multiply parks and open spaces many-fold.

You may say: If all the land London stands on were in the hands of one Syndicate, it would be able to charge what it liked, knowing that Londoners, being compelled to live near their work, would have to submit: there would be no competition. I reply: that is true in theory but not in practice. Henry George used to say that landlords, being owners of the earth, could say to the rest of the population: "Get off my earth." So they could in theory, but it wouldn't work out like that in practice. The English railway companies have a monopoly but they can't charge what they like. If the land monopoly were to abuse its privileges it would find that the public would insist on restriction and regulation. But it would not abuse: a small man (or concern) is always more rapacious and cheese-paring than a big one, and naturally so, because 1s. is more to the former than £1 is to the latter.

Another argument might be this: Perhaps the Syndicate would not give land for new streets for nothing, but would charge full market value. But in that case the Municipality (or Government) would simply not proceed with the vast improvements mentioned herein and the Syndicate would, therefore, lose, because it must be remembered that every new avenue, park, etc., improves the Syndicate's property.

Likewise, would it not be fair to compel the Syndicate to provide free land for the new streets, seeing that it, for the reasons previously stated, could not lose thereby? At the present moment the

owner of a plot of building land is compelled to set aside a certain area of it for roads, and that area is, in proportion to the total area available for building, much greater than the space required for the new avenues described previously in this pamphlet.

To bring all the land of a town under single ownership would necessitate the formation of a Company or Syndicate of which the shareholders would be all the landowners (and possibly leaseholders). The landowners (now shareholders) instead of getting rents would get dividends. How could a railway be efficiently worked if one mile of it belonged to one man, the next half-mile to another, the next half-mile to a third man, and so on? No, the best way is to have unity of ownership and control.

Is this project feasible? I expect that there will be differences of opinion on that point, but I should think that with a little co-operation it could be managed. The dream of to-day often becomes the reality of to-morrow. However, I express no definite opinion on that point.

I should think that the following are some of the reasons for and against the adoption of this scheme: The landlords may say that the present system suits them well enough, therefore why go to all the trouble of forming a Syndicate? On the other hand, the scheme will favour the landlords in this way: The present system is arousing public hostility, and a powerful party demanding the taxation of land values is arising. This party will

find the ground considerably cut from under its feet by the free gift of land for public improvements which this scheme will render possible. Likewise many people will become financially interested in urban land by buying shares : shares are easier and far cheaper to buy than plots of ground.

It must not, however, be supposed from the foregoing that this pamphlet is written in the interest of landlords : the scheme happens to favour them in some respects, that is all.

Another way in which the scheme would be to the advantage of both landlords and public is this : At present various industries could be started were conditions more favourable. Well, the Land Syndicate could give, for a term of years, free sites for the factories and workshops necessary for such new industries, on the principle of throwing a sprat to catch a mackerel. The Syndicate would recoup itself by the new rents and increased rents created by these new industries. Individual owners cannot afford to give free sites for factories, docks, etc.

I repeat that there is nothing in this pamphlet intended to be unfair : if it be deemed unjust to anyone then I withdraw it. The amelioration of social conditions should not be founded on injustice. The fullest compensation should be granted where rightfully due.

I have not dealt with every point, in this booklet, because space precludes it. I will, however, return to this question in a later pamphlet in which the matter will be looked at from a different standpoint.

You may ask: Won't Land Nationalisation achieve all you want and more? I answer that Land Nationalisation, in the opinion of competent judges, does not seem to be practical politics, at present, at any rate. Mr. Gladstone, I believe, once said about it: "If you pay for the land, it is folly, if you don't it is robbery."

I may also mention that the Metropolitan Water Board estimates that in 1960 the population of London will be $16\frac{1}{4}$ millions. Will the present narrow streets suffice for that? The above scheme, however, will provide ample room for a London of any size.

Even if this pamphlet does not convince on all points, I hope it will be conceded that it is an impartial attempt to solve some of the pressing problems of the day: it may, perhaps, also prove that a *real* "land monopoly" has its advantages.

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